

AMENDED IN SENATE AUGUST 26, 2015

CALIFORNIA LEGISLATURE—2015–16 SECOND EXTRAORDINARY SESSION

**SENATE BILL**

**No. 1**

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**Introduced by Senator Beall  
(Principal coauthors: Senators Monning and Pavley)**

July 2, 2015

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An act to amend Sections 4648.4, 4681.3, 4681.6, 4688.21, 4689.8, 4691.9, and 4860, and to add Sections 4681.2, 4690.7, 4795, and 4796 to, the Welfare and Institutions Code, relating to developmental services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Beall. Developmental services: funding.

(1) The Lanterman Developmental Disabilities Services Act requires the State Department of Developmental Services to contract with regional centers to provide services and supports to individuals with developmental disabilities. Under existing law, the regional centers purchase needed services for individuals with developmental disabilities through approved service providers or arrange for those services through other publicly funded agencies. The annual ~~budget~~ *Budget Act* also appropriates funds to the department to fund regional center operations.

This bill would require the department, subject to an appropriation by the Legislature for these purposes, to increase the funding paid to a regional center for the regional center's operating budget by 10%, and to increase funding to enable the regional center and the regional center's purchase-of-service vendors to fund certain costs related to minimum wage requirements. The bill would also require the department to develop a 10-year financial sustainability plan to ensure that the state's community-based developmental services system effectively serves all individuals with developmental disabilities.

(2) Existing law establishes specified rates to be paid to certain service providers and the rates to be paid for certain developmental services. Existing law requires that rates to be paid to other developmental service providers either be set by the department or negotiated between the regional center and the service provider.

This bill would increase the rates established by existing law by 10%, as specified, and would require a 10% increase to the rates set by the department and the rates negotiated between regional centers and service providers, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 4648.4 of the Welfare and Institutions  
2 Code is amended to read:

3 4648.4. (a) Notwithstanding any other law, commencing July  
4 1, 2006, rates for services listed in paragraphs (1), (2), with the  
5 exception of travel reimbursement, (3) to (8), inclusive, (10), and  
6 (11) of subdivision (b), shall be increased by 3 percent, subject to  
7 funds specifically appropriated for this increase in the Budget Act  
8 of 2006. The increase shall be applied as a percentage, and the  
9 percentage shall be the same for all providers. Any subsequent  
10 change shall be governed by subdivision (b).

11 (b) Notwithstanding any other law, except for subdivision (a),  
12 no regional center may pay any provider of the following services  
13 or supports a rate that is greater than the rate that is in effect on or  
14 after June 30, 2008, unless the increase is required by a contract  
15 between the regional center and the vendor that is in effect on June  
16 30, 2008, or the regional center demonstrates that the approval is  
17 necessary to protect the consumer’s health or safety and the  
18 department has granted prior written authorization:

- 19 (1) Supported living services.
- 20 (2) Transportation, including travel reimbursement.
- 21 (3) Socialization training programs.
- 22 (4) Behavior intervention training.
- 23 (5) Community integration training programs.
- 24 (6) Community activities support services.
- 25 (7) Mobile day programs.
- 26 (8) Creative art programs.

1 (9) Supplemental day services program supports.

2 (10) Adaptive skills trainers.

3 (11) Independent living specialists.

4 (c) Notwithstanding subdivisions (a) and (b), and subject to an  
5 appropriation of funds by the Legislature for these purposes, a  
6 regional center shall increase rates for services listed in paragraphs  
7 (1), (2), with the exception of travel reimbursement, and (3) to  
8 (11), inclusive, of subdivision (b), ~~where if~~ the rates are determined  
9 through a negotiation between the regional center and the provider,  
10 by 10 percent above the levels that otherwise would have been in  
11 effect on the effective date of the act that added this subdivision,  
12 unless the rate for a service was increased pursuant to another  
13 provision of the act that added this subdivision.

14 *SEC. 2. Section 4681.3 of the Welfare and Institutions Code*  
15 *is amended to read:*

16 4681.3. (a) Notwithstanding any other provision of this article,  
17 for the 1996–97 fiscal year, the rate schedule authorized by the  
18 department in operation June 30, 1996, shall be increased based  
19 upon the amount appropriated in the Budget Act of 1996 for that  
20 purpose. The increase shall be applied as a percentage, and the  
21 percentage shall be the same for all providers.

22 (b) Notwithstanding any other provision of this article, for the  
23 1997–98 fiscal year, the rate schedule authorized by the department  
24 in operation on June 30, 1997, shall be increased based upon the  
25 amount appropriated in the Budget Act of 1997 for that purpose.  
26 The increase shall be applied as a percentage, and the percentage  
27 shall be the same for all providers.

28 (c) Notwithstanding any other provision of this article, for the  
29 1998–99 fiscal year, the rate schedule authorized by the department  
30 in operation on June 30, 1998, shall be increased commencing July  
31 1, 1998, based upon the amount appropriated in the Budget Act  
32 of 1998 for that purpose. The increase shall be applied as a  
33 percentage, and the percentage shall be the same for all providers.

34 (d) Notwithstanding any other provision of this article, for the  
35 1998–99 fiscal year, the rate schedule authorized by the department  
36 in operation on December 31, 1998, shall be increased January 1,  
37 1999, based upon the cost-of-living adjustments in the  
38 Supplemental Security Income/State Supplementary Program for  
39 the Aged, Blind, and Disabled appropriated in the Budget Act of

1 1998 for that purpose. The increase shall be applied as a percentage  
 2 and the percentage shall be the same for all providers.

3 (e) Notwithstanding any other provision of this article, for the  
 4 1999–2000 fiscal year, the rate schedule authorized by the  
 5 department in operation on June 30, 1999, shall be increased July  
 6 1, 1999, based upon the amount appropriated in the Budget Act  
 7 of 1999 for that purpose. The increase shall be applied as a  
 8 percentage and the percentage shall be the same for all providers.

9 (f) In addition, commencing January 1, 2000, any funds available  
 10 from cost-of-living adjustments in the Supplemental Security  
 11 Income/State Supplementary Payment (SSI/SSP) for the 1999–2000  
 12 fiscal year shall be used to further increase the community care  
 13 facility rate. The increase shall be applied as a percentage, and the  
 14 percentage shall be the same for all providers.

15 (g) Notwithstanding any other ~~provision of law or regulation,~~  
 16 *law*, for the 2006–07 fiscal year, the rate schedule in effect on June  
 17 30, 2006, shall be increased on July 1, 2006, by 3 percent, subject  
 18 to funds specifically appropriated for this increase in the Budget  
 19 Act of 2006. The increase shall be applied as a percentage and the  
 20 percentage shall be the same for all providers. Any subsequent  
 21 increase shall be governed by Sections 4681.5 and 4681.6.

22 (h) *Notwithstanding any other law, for the 2015–16 fiscal year,*  
 23 *the rate schedule and rates set by the department that are in effect*  
 24 *on June 30, 2015, shall be increased by 10 percent, subject to*  
 25 *funds specifically appropriated for this purpose. The increase shall*  
 26 *be applied as a percentage and the percentage shall be the same*  
 27 *for all providers. The increase required by this subdivision shall*  
 28 *be in addition to the rate changes required by Chapter 23 of the*  
 29 *Statutes of 2015.*

30 ~~SEC. 2.~~

31 SEC. 3. Section 4681.2 is added to the Welfare and Institutions  
 32 Code, to read:

33 4681.2. Notwithstanding any other law, and subject to an  
 34 appropriation of funds by the Legislature for these purposes, the  
 35 department shall increase the rates set for community care facilities  
 36 serving persons with developmental disabilities by 10 percent  
 37 above the levels that otherwise would have been in effect on the  
 38 effective date of the act that added this section.

1 ~~SEC. 3.~~

2 *SEC. 4.* Section 4681.6 of the Welfare and Institutions Code  
3 is amended to read:

4 4681.6. (a) Notwithstanding any other law, commencing July  
5 1, 2008:

6 (1) A regional center shall not pay an existing residential service  
7 provider, for services ~~where~~ *for which* rates are determined through  
8 a negotiation between the regional center and the provider, a rate  
9 higher than the rate in effect on June 30, 2008, unless the increase  
10 is required by a contract between the regional center and the vendor  
11 that is in effect on June 30, 2008, or the regional center  
12 demonstrates that the approval is necessary to protect the  
13 consumer's health or safety and the department has granted prior  
14 written authorization.

15 (2) A regional center shall not negotiate a rate with a new  
16 residential service provider, for services ~~where~~ *for which* rates are  
17 determined through a negotiation between the regional center and  
18 the provider, that is higher than the regional center's median rate  
19 for the same service code and unit of service, or the statewide  
20 median rate for the same service code and unit of service,  
21 whichever is lower. The unit of service designation shall conform  
22 with an existing regional center designation or, if none exists, a  
23 designation used to calculate the statewide median rate for the  
24 same service. The regional center shall annually certify to the  
25 department its median rate for each negotiated rate service code,  
26 by designated unit of service. This certification shall be subject to  
27 verification through the department's biennial fiscal audit of the  
28 regional center.

29 (b) Notwithstanding subdivision (a), commencing July 1, 2014,  
30 regional centers may negotiate a rate adjustment with residential  
31 service providers regarding rates that are otherwise restricted  
32 pursuant to subdivision (a), if the adjustment is necessary in order  
33 to pay employees no less than the minimum wage as established  
34 by Section 1182.12 of the Labor Code, as amended by Chapter  
35 351 of the Statutes of 2013, and only for the purpose of adjusting  
36 payroll costs associated with the minimum wage increase. The  
37 rate adjustment shall be specific to the unit of service designation  
38 that is affected by the increased minimum wage, shall be specific  
39 to payroll costs associated with any increase necessary to adjust  
40 employee pay only to the extent necessary to bring pay into

1 compliance with the increased state minimum wage, and shall not  
 2 be used as a general wage enhancement for employees paid above  
 3 the minimum wage. Regional centers shall maintain documentation  
 4 on the process to determine, and the rationale for granting, any  
 5 rate adjustment associated with the minimum wage increase.

6 (c) Notwithstanding subdivision (a), commencing July 1, 2015,  
 7 regional centers may negotiate a rate adjustment with residential  
 8 service providers regarding rates that are otherwise restricted  
 9 pursuant to subdivision (a), if the adjustment is necessary to  
 10 implement Article 1.5 (commencing with Section 245) of Chapter  
 11 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter  
 12 317 of the Statutes of 2014. The rate adjustment may be applied  
 13 only if a minimum of 24 hours or three days of paid sick leave per  
 14 year was not a benefit provided to employees as of June 30, 2015,  
 15 and shall be specific to payroll costs associated with any increase  
 16 necessary to compensate an employee up to a maximum of 24  
 17 hours or three days of paid sick leave in each year of employment.

18 (d) Notwithstanding subdivision (a), and subject to an  
 19 appropriation of funds by the Legislature for these purposes,  
 20 regional centers shall increase the rates paid to residential service  
 21 providers, for services—~~where~~ *for which* rates are determined  
 22 through a negotiation between the regional center and the provider,  
 23 by 10 percent above the levels that otherwise would have been in  
 24 effect on the effective date of the act that added this subdivision.

25 (e) For purposes of this section, “residential service provider”  
 26 includes Adult Residential Facilities for Persons with Special  
 27 Health Care Needs, as described in Section 4684.50.

28 (f) This section shall not apply to those services for which rates  
 29 are determined by the State Department of Health Care Services,  
 30 or the State Department of Developmental Services, or are usual  
 31 and customary.

32 ~~SEC. 4.~~

33 *SEC. 5.* Section 4688.21 of the Welfare and Institutions Code  
 34 is amended to read:

35 4688.21. (a) The Legislature places a high priority on  
 36 opportunities for adults with developmental disabilities to choose  
 37 and customize day services to meet their individualized needs;  
 38 have opportunities to further the development or maintenance of  
 39 employment and volunteer activities; direct their services; pursue  
 40 postsecondary education; and increase their ability to lead

1 integrated and inclusive lives. To further these goals, a consumer  
2 may choose a tailored day service or vouchered community-based  
3 training service, in lieu of any other regional center vendored day  
4 program, look-alike day program, supported employment program,  
5 or work activity program.

6 (b) (1) A tailored day service shall do both of the following:

7 (A) Include an individualized service design, as determined  
8 through the individual program plan (IPP) and approved by the  
9 regional center, that maximizes the consumer's individualized  
10 choices and needs. This service design may include, but may not  
11 be limited to, the following:

12 (i) Fewer days or hours than in the program's approved day  
13 program, look-alike day program, supported employment program,  
14 or work activity program design.

15 (ii) Flexibility in the duration and intensity of services to meet  
16 the consumer's individualized needs.

17 (B) Encourage opportunities to further the development or  
18 maintenance of employment, volunteer activities, or pursuit of  
19 postsecondary education; maximize consumer direction of the  
20 service; and increase the consumer's ability to lead an integrated  
21 and inclusive life.

22 (2) The type and amount of tailored day service shall be  
23 determined through the IPP process, pursuant to Section 4646.  
24 The IPP shall contain, but not be limited to, the following:

25 (A) A detailed description of the consumer's individualized  
26 choices and needs and how these choices and needs will be met.

27 (B) The type and amount of services and staffing needed to  
28 meet the consumer's individualized choices and needs, and unique  
29 health and safety and other needs.

30 (3) The staffing requirements set forth in Section 55756 of Title  
31 17 of the California Code of Regulations and subdivision (r) of  
32 Section 4851 of this code shall not apply to a tailored day service.

33 (4) For currently vendored programs wishing to offer a tailored  
34 day service option, the regional center shall vendor a tailored day  
35 service option upon negotiating a rate and maximum units of  
36 service design that includes, but is not limited to, the following:

37 (A) A daily or hourly rate and maximum units of service design  
38 that does not exceed the equivalent cost of four days per week of  
39 the vendor's current rate, if the vendor has a daily day program  
40 rate.

1 (B) A rate and maximum units of service design that does not  
2 exceed the equivalent cost of four-fifths of the hours of the vendor's  
3 current rate, if the vendor has an hourly rate.

4 (5) The regional center shall ensure that the vendor is capable  
5 of complying with, and will comply with, the consumer's IPP,  
6 individual choice, and health and safety needs.

7 (6) For new programs wishing to offer a tailored day service  
8 option, the regional center shall vendor a tailored day service option  
9 upon negotiating a rate and maximum units of service design. The  
10 rate paid to the new vendor shall not exceed four-fifths of the  
11 temporary payment rate or the median rate, whichever is applicable.

12 (7) Notwithstanding any other law, and subject to an  
13 appropriation of funds by the Legislature for these purposes, the  
14 rates paid to tailored day service providers shall be increased by  
15 10 percent above the levels that otherwise would have been in  
16 effect on the effective date of the act that added this paragraph.

17 (8) Effective July 1, 2011, and prior to the time of development,  
18 review, or modification of a consumer's IPP, regional centers shall  
19 provide information about tailored day service to eligible adult  
20 consumers. A consumer may request information about tailored  
21 day services from the regional center at any time and may request  
22 an IPP meeting to secure those services.

23 (c) (1) A vouchered community-based training service is  
24 defined as a consumer-directed service that assists the consumer  
25 in the development of skills required for community integrated  
26 employment or participation in volunteer activities, or both, and  
27 the assistance necessary for the consumer to secure employment  
28 or volunteer positions or pursue secondary education.

29 (2) Implementation of vouchered community-based training  
30 service is contingent upon the approval of the federal Centers for  
31 Medicare and Medicaid Services.

32 (3) Vouchered community-based training service shall be  
33 provided in natural environments in the community, separate from  
34 the consumer's residence.

35 (4) A consumer, parent, or conservator vendored as a vouchered  
36 community-based training service shall utilize the services of a  
37 financial management services (FMS) entity. The regional center  
38 shall provide information about available financial management  
39 services and shall assist the consumer in selecting a FMS vendor  
40 to act as coemployer.

1 (5) A parent or conservator shall not be the direct support worker  
2 employed by the vouchered community-based training service  
3 vendor.

4 (6) If the direct support worker is required to transport the  
5 consumer, the vouchered community-based training service vendor  
6 shall verify that the direct support worker can transport the  
7 consumer safely and has a valid California driver's license and  
8 proof of insurance.

9 (7) (A) The rate for vouchered community-based training  
10 service shall not exceed thirteen dollars and forty-seven cents  
11 (\$13.47) per hour. The rate includes employer-related taxes and  
12 all transportation needed to implement the service, except as  
13 described in paragraph (8). The rate does not include the cost of  
14 the FMS.

15 (B) Notwithstanding subparagraph (A), and subject to an  
16 appropriation of funds by the Legislature for these purposes, the  
17 rate described in subparagraph (A) shall be fourteen dollars and  
18 eighty-two cents (\$14.82) per hour.

19 (8) A consumer vendored as a vouchered community-based  
20 training service shall also be eligible for a regional center-funded  
21 bus pass, if appropriate and needed.

22 (9) Vouchered community-based training service shall be limited  
23 to a maximum of 150 hours per quarter. The services to be provided  
24 and the service hours shall be documented in the consumer's IPP.

25 (10) A direct support worker of vouchered community-based  
26 training service shall be an adult who possesses the skill, training,  
27 and experience necessary to provide services in accordance with  
28 the IPP.

29 (11) Effective July 1, 2011, and prior to the time of development,  
30 review, or modification of a consumer's IPP, regional centers shall  
31 provide information about vouchered community-based training  
32 service to eligible adult consumers. A consumer may request  
33 information about vouchered community-based training service  
34 from the regional center at any time and may request an IPP  
35 meeting to secure those services.

36 (12) The type and amount of vouchered community-based  
37 training service shall be determined through the IPP process  
38 pursuant to Section 4646. The IPP shall contain, but not be limited  
39 to, the following:

1 (A) A detailed description of the consumer’s individualized  
2 choices and needs and how these choices and needs will be met.

3 (B) The type and amount of services and staffing needed to  
4 meet the consumer’s individualized choices and unique health and  
5 safety and other needs.

6 (d) The department may adopt emergency regulations for  
7 tailored day service or vouchered community-based training  
8 service. The adoption, amendment, repeal, or readoption of a  
9 regulation authorized by this subdivision is deemed to be necessary  
10 for the immediate preservation of the public peace, health and  
11 safety, or general welfare, for purposes of Sections 11346.1 and  
12 11349.6 of the Government Code, and the department is hereby  
13 exempted from the requirement that it describe specific facts  
14 showing the need for immediate action. A certificate of compliance  
15 for these implementing regulations shall be filed within 24 months  
16 following the adoption of the first emergency regulations filed  
17 pursuant to this subdivision.

18 ~~SEC. 5.~~

19 SEC. 6. Section 4689.8 of the Welfare and Institutions Code  
20 is amended to read:

21 4689.8. (a) Notwithstanding any other law, commencing July  
22 1, 2008:

23 (1) A regional center shall not pay an existing supported living  
24 service provider, for services ~~where~~ *for which* rates are determined  
25 through a negotiation between the regional center and the provider,  
26 a rate higher than the rate in effect on June 30, 2008, unless the  
27 increase is required by a contract between the regional center and  
28 the vendor that is in effect on June 30, 2008, or the regional center  
29 demonstrates that the approval is necessary to protect the  
30 consumer’s health or safety and the department has granted prior  
31 written authorization.

32 (2) A regional center shall not negotiate a rate with a new  
33 supported living service provider, for services ~~where~~ *for which*  
34 rates are determined through a negotiation between the regional  
35 center and the provider, that is higher than the regional center’s  
36 median rate for the same service code and unit of service, or the  
37 statewide median rate for the same service code and unit of service,  
38 whichever is lower. The unit of service designation shall conform  
39 with an existing regional center designation or, if none exists, a  
40 designation used to calculate the statewide median rate for the

1 same service. The regional center shall annually certify to the State  
2 Department of Developmental Services its median rate for each  
3 negotiated rate service code, by designated unit of service. This  
4 certification shall be subject to verification through the  
5 department's biennial fiscal audit of the regional center.

6 (b) Notwithstanding subdivision (a), and subject to an  
7 appropriation of funds by the Legislature for these purposes,  
8 regional centers shall increase the rates paid to supported living  
9 service providers, for services ~~where~~ *for which* rates are determined  
10 through a negotiation between the regional center and the provider,  
11 by 10 percent above the levels that otherwise would have been in  
12 effect on the effective date of the act that added this subdivision.

13 ~~SEC. 6.~~

14 *SEC. 7.* Section 4690.7 is added to the Welfare and Institutions  
15 Code, to read:

16 4690.7. (a) Notwithstanding any other law, and subject to an  
17 appropriation of funds by the Legislature for these purposes, the  
18 department shall increase the rates set for nonresidential service  
19 providers by 10 percent above the levels that otherwise would have  
20 been in effect on the effective date of the act that added this section.

21 ~~SEC. 7.~~

22 *SEC. 8.* Section 4691.9 of the Welfare and Institutions Code  
23 is amended to read:

24 4691.9. (a) Notwithstanding any other law, commencing July  
25 1, 2008:

26 (1) A regional center shall not pay an existing service provider,  
27 for services where rates are determined through a negotiation  
28 between the regional center and the provider, a rate higher than  
29 the rate in effect on June 30, 2008, unless the increase is required  
30 by a contract between the regional center and the vendor that is in  
31 effect on June 30, 2008, or the regional center demonstrates that  
32 the approval is necessary to protect the consumer's health or safety  
33 and the department has granted prior written authorization.

34 (2) A regional center shall not negotiate a rate with a new service  
35 provider, for services where rates are determined through a  
36 negotiation between the regional center and the provider, that is  
37 higher than the regional center's median rate for the same service  
38 code and unit of service, or the statewide median rate for the same  
39 service code and unit of service, whichever is lower. The unit of  
40 service designation shall conform with an existing regional center

1 designation or, if none exists, a designation used to calculate the  
2 statewide median rate for the same service. The regional center  
3 shall annually certify to the State Department of Developmental  
4 Services its median rate for each negotiated rate service code, by  
5 designated unit of service. This certification shall be subject to  
6 verification through the department's biennial fiscal audit of the  
7 regional center.

8 (b) Notwithstanding subdivision (a), commencing July 1, 2014,  
9 regional centers may negotiate a rate adjustment with providers  
10 regarding rates if the adjustment is necessary in order to pay  
11 employees no less than the minimum wage as established by  
12 Section 1182.12 of the Labor Code, as amended by Chapter 351  
13 of the Statutes of 2013, and only for the purpose of adjusting  
14 payroll costs associated with the minimum wage increase. The  
15 rate adjustment shall be specific to the unit of service designation  
16 that is affected by the increased minimum wage, shall be specific  
17 to payroll costs associated with any increase necessary to adjust  
18 employee pay only to the extent necessary to bring pay into  
19 compliance with the increased state minimum wage, and shall not  
20 be used as a general wage enhancement for employees paid above  
21 the increased minimum wage. Regional centers shall maintain  
22 documentation on the process to determine, and the rationale for  
23 granting, any rate adjustment associated with the minimum wage  
24 increase.

25 (c) Notwithstanding any other law or regulation, commencing  
26 January 1, 2015, rates for personal assistance and supported living  
27 services in effect on December 31, 2014, shall be increased by  
28 5.82 percent, subject to funds specifically appropriated for this  
29 increase for costs due to changes in federal regulations  
30 implementing the federal Fair Labor Standards Act of 1938 (29  
31 U.S.C. Sec. 201 et seq.). The increase shall be applied as a  
32 percentage, and the percentage shall be the same for all applicable  
33 providers. As used in this subdivision, both of the following  
34 definitions shall apply:

35 (1) "Personal assistance" is limited only to those services  
36 provided by vendors classified by the regional center as personal  
37 assistance providers, pursuant to the miscellaneous services  
38 provisions contained in Title 17 of the California Code of  
39 Regulations.

1 (2) “Supported living services” are limited only to those services  
2 defined as supported living services in Title 17 of the California  
3 Code of Regulations.

4 (d) Notwithstanding subdivision (a), commencing July 1, 2015,  
5 regional centers may negotiate a rate adjustment with existing  
6 service providers for services for which rates are determined  
7 through negotiation between the regional center and the provider,  
8 if the adjustment is necessary to implement Article 1.5  
9 (commencing with Section 245) of Chapter 1 of Part 1 of Division  
10 2 of the Labor Code, as added by Chapter 317 of the Statutes of  
11 2014. The rate adjustment may be applied only if a minimum of  
12 24 hours or three days of paid sick leave per year was not a benefit  
13 provided to employees as of June 30, 2015, and shall be specific  
14 to payroll costs associated with any increase necessary to  
15 compensate an employee up to a maximum of 24 hours or three  
16 days of paid sick leave in each year of employment.

17 (e) Notwithstanding subdivision (a), and subject to an  
18 appropriation of funds by the Legislature for these purposes,  
19 regional centers shall increase the rates paid to service providers,  
20 for services ~~where~~ *for which* rates are determined through a  
21 negotiation between the regional center and the provider, by 10  
22 percent above the levels that otherwise would have been in effect  
23 on the effective date of the act that added this subdivision.

24 (f) This section shall not apply to those services for which rates  
25 are determined by the State Department of Health Care Services,  
26 or the State Department of Developmental Services, or are usual  
27 and customary.

28 ~~SEC. 8.~~

29 *SEC. 9.* Section 4795 is added to the Welfare and Institutions  
30 Code, to read:

31 4795. (a) The department shall, subject to an appropriation of  
32 funds by the Legislature for these purposes, increase the funding  
33 provided to a regional center for the regional center’s operating  
34 budget by 10 percent above the levels that otherwise would have  
35 been in effect on the effective date of the act that added this section.

36 (b) The department shall, subject to an appropriation of funds  
37 by the Legislature for these purposes, increase the funding provided  
38 to a regional center to enable the regional center and regional  
39 center’s purchase-of-service vendors to fund all of the following  
40 costs associated with minimum wage requirements:

1 (1) The costs ~~necessary~~ to comply with a statewide minimum  
2 wage requirement.

3 (2) The costs ~~necessary~~ to comply with minimum wage  
4 requirements enacted by local governments that exceed the  
5 statewide minimum wage.

6 (3) The costs ~~necessary~~ to increase compensation for exempt,  
7 salaried employees to comply with wage orders issued by the  
8 Industrial Welfare Commission or any other state regulatory  
9 agency.

10 (4) Any other wage adjustments that vendors are required to  
11 make in response to minimum wage increases mandated by state  
12 or federal statutes, regulations, or other authorities.

13 ~~SEC. 9.~~

14 *SEC. 10.* Section 4796 is added to the Welfare and Institutions  
15 Code, to read:

16 4796. The department shall develop a 10-year financial  
17 sustainability plan to ensure that the state’s community-based  
18 developmental services system effectively serves all individuals  
19 with developmental disabilities.

20 ~~SEC. 10.~~

21 *SEC. 11.* Section 4860 of the Welfare and Institutions Code is  
22 amended to read:

23 4860. (a) (1) (A) The hourly rate for supported employment  
24 services provided to consumers receiving individualized services  
25 shall be thirty dollars and eighty-two cents (\$30.82).

26 (B) Notwithstanding subparagraph (A), and subject to an  
27 appropriation of funds by the Legislature for these purposes, the  
28 rate described in subparagraph (A) shall be thirty-three dollars and  
29 ninety cents (\$33.90).

30 (2) Job coach hours spent in travel to consumer worksites may  
31 be reimbursable for individualized services only when the job  
32 coach travels from the vendor’s headquarters to the consumer’s  
33 worksite or from one consumer’s worksite to another, and only  
34 when the travel is one way.

35 (b) (1) The hourly rate for group services shall be thirty dollars  
36 and eighty-two cents (\$30.82), regardless of the number of  
37 consumers served in the group. Consumers in a group shall be  
38 scheduled to start and end work at the same time, unless an  
39 exception that takes into consideration the consumer’s compensated  
40 work schedule is approved in advance by the regional center. The

1 department, in consultation with stakeholders, shall adopt  
2 regulations to define the appropriate grounds for granting these  
3 exceptions. When the number of consumers in a supported  
4 employment placement group drops to fewer than the minimum  
5 required in subdivision (r) of Section 4851, the regional center  
6 may terminate funding for the group services in that group, unless,  
7 within 90 days, the program provider adds one or more regional  
8 centers, or Department of Rehabilitation-funded supported  
9 employment consumers to the group.

10 (2) Notwithstanding paragraph (1), and subject to an  
11 appropriation of funds by the Legislature for these purposes, the  
12 rate described in paragraph (1) shall be thirty-three dollars and  
13 ninety cents (\$33.90).

14 (c) Job coaching hours for group services shall be allocated on  
15 a prorated basis between a regional center and the Department of  
16 Rehabilitation when regional center and Department of  
17 Rehabilitation consumers are served in the same group.

18 (d) When Section 4855 applies, fees shall be authorized for the  
19 following:

20 (1) (A) A three-hundred-sixty-dollar (\$360) fee shall be paid  
21 to the program provider upon intake of a consumer into a supported  
22 employment program. No fee shall be paid if that consumer  
23 completed a supported employment intake process with that same  
24 supported employment program within the previous 12 months.

25 (B) Notwithstanding subparagraph (A), and subject to an  
26 appropriation of funds by the Legislature for these purposes, the  
27 fee described in subparagraph (A) shall be  
28 ~~three-hundred-ninety-six-dollars~~ *three hundred ninety-six dollars*  
29 (\$396).

30 (2) (A) A seven-hundred-twenty-dollar (\$720) fee shall be paid  
31 upon placement of a consumer in an integrated job, except that no  
32 fee shall be paid if that consumer is placed with another consumer  
33 or consumers assigned to the same job coach during the same hours  
34 of employment.

35 (B) Notwithstanding subparagraph (A), and subject to an  
36 appropriation of funds by the Legislature for these purposes, the  
37 fee described in subparagraph (A) shall be  
38 ~~seven-hundred-ninety-two-dollars~~ *seven hundred ninety-two dollars*  
39 (\$792).

1 (3) (A) A seven-hundred-twenty-dollar (\$720) fee shall be paid  
 2 after a 90-day retention of a consumer in a job, except that no fee  
 3 shall be paid if that consumer has been placed with another  
 4 consumer or consumers, assigned to the same job coach during  
 5 the same hours of employment.

6 (B) Notwithstanding subparagraph (A), and subject to an  
 7 appropriation of funds by the Legislature for these purposes, the  
 8 fee described in subparagraph (A) shall be  
 9 ~~seven-hundred-ninety-two-dollars~~ *seven hundred ninety-two dollars*  
 10 (\$792).

11 (e) Notwithstanding paragraph (4) of subdivision (a) of Section  
 12 4648, the regional center shall pay the supported employment  
 13 program rates established by this section.

14 ~~SEC. 11. The Legislature declares that the changes made by  
 15 this act are not intended to result in the substantial impairment of  
 16 any contract. To the extent any contract would be substantially  
 17 impaired as a result of the application of any change made by this  
 18 act, it is the intent of the Legislature that the change apply only to  
 19 contracts renewed or entered into on or after the effective date of  
 20 this act.~~

21 *SEC. 12. The rate increases for developmental services  
 22 required by this act shall supplement, and not supplant, increases  
 23 to those rates made by the Budget Act of 2015 and Chapter 23 of  
 24 the Statutes of 2015.*

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